

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

BEB3014 – ELECTRONIC BUSINESS
(All sections / Groups)

10 MARCH 2016
9.00 a.m. - 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

- b. This question paper consists of 4 pages (including cover page) with 5 Questions only.
- c. Attempt **ALL** questions in Section A. Attempt **THREE** out of **FOUR** questions in Section B. The distribution of the marks for each question is given.
- a. Please write all your answers in the Answer Booklet provided.

SECTION A (40 marks)**QUESTION 1**

The success of online shoe retailer Zappos has been well-documented: It went from a struggling start-up in 2000 to getting acquired by Amazon in a deal valued at \$1.2 billion in 2009. The face of the company, chief executive Tony Hsieh, an avid Twitterer and successful entrepreneur even before leading the shoe company, shares the secrets to his success in his new book, *Delivering Happiness: A Path to Profits, Passion, and Purpose*. He has long held that customer service is paramount, especially at a time when many companies are scaling back and outsourcing. Even Twitter, he says, serves as a way to "improve our relationship and connection with our customers."

Some of the company's idiosyncrasies are well-known, including a focus on customer service, free two-way shipping, and a tight workplace environment (some have even called it a cult), but others will surprise you.

The name "Zappos" comes from the Spanish word for shoes, "zapatos." Hsieh suggested adding an additional "p" to the name to help people pronounce it properly. Moving Zappos' warehouse from California to Kentucky allowed shoes to reach East Coast customers in two days instead of a week.

Zappos maintains an on-site library to encourage employees to read books. A Zappos culture book, which is given to all new employees, describes the ethos of the company. It features 100- to 500-word essays by current employees. Employees are invited to post questions for the monthly "Ask Anything" newsletter. Questions have included: Why are women's and men's shoe sizes different? What other music have we considered having as our [telephone] hold music? Where do you see us in three years? The longest customer service call took almost six hours. (Hsieh doesn't say whether the representative was allowed bathroom breaks.) Another rep helped a caller locate a nearby pizza place that would deliver after midnight. On another call, the rep spoke entirely in third-person at the request of the customer. Hsieh says he considers the extra costs of running such a full-service operation as marketing costs, because good phone experiences encourage people to say positive things about Zappos to their friends.

When Zappos employees log onto their computers, they don't just enter a login and password. They also have to try to match a name with a photo of a randomly selected colleague. The company keeps a record of everyone's score. Zappos regularly asks employees whether they consider their co-workers to be like their "family and friends." When applying for a job applicants are asked, "When was the last time you broke the rules or policy to get the job done?"

Adapted from: Palmer, K. (2010). *The Secrets to Zappos' Success* [Online]. Available at: <http://money.usnews.com/money/articles/2010/08/10/the-secrets-to-zappos-success> [2015, November 20].

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QUESTION 1

- a. Identify and explain **FIVE (5)** ways Zappos created an organizational learning culture. (15 marks)
- b. Identify the type of communication strategy adopted by Zappos. Illustrate its benefits by using examples. (13 marks)
- c. Describe **THREE (3)** ways of using technology to help Zappos to enhance customer relationship management. (12 marks)

(Total: 40 marks)

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SECTION B (60 marks)**QUESTION 2**

- a. Explain how *Transmission Control Protocol (TCP)/ Internet Protocol (IP)* govern the safety of data transmission over a network. (10 marks)
- b. Illustrate e-business transitions from *advertising-supported* to *fee-for-services* model and *advertising-supported* to *digital content subscription* model by using examples. (10 marks)

(Total: 20 marks)

QUESTION 3

- a. Use examples to illustrate how different e-business sites acquire, convert and retain customers. (10 marks)
- b. Illustrate *Value Added Network (VAN)* by using diagrams and explanations. (10 marks)

(Total: 20 marks)

QUESTION 4

- a. What are **TWO (2)** main differences of double and reverse auctions? (10 marks)
- b. One way to control threats from active content is to use digital certificates. Explain how digital certificates can be used to control threats from active content. (10 marks)

(Total: 20 marks)

QUESTION 5

- a. Evaluate the usefulness of a payment card in e-business. (15 marks)
- b. Illustrate the differences between organizational value chains and industry value chains by using diagrams. (5 marks)

(Total: 20 marks)

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